

KENTUCKY REAL ESTATE APPRAISERS BOARD

TYPE OF MEETING

Regular Meeting

DATE AND LOCATION

June 22, 2012 – 9:00 a.m. – Board Office

PRESIDING OFFICER

Harold Brantley, Chair

ROLL CALL

Present:

Harold Brantley, Chair
Sam Blackburn, Vice Chair
Dorsey Hall, Board Member
G. Herbert Pritchett, Board Member
Kathy Mayfield, Board Member

Present Also:

Larry Disney, Executive Director
Angie Thomas, Staff Assistant
James Grawe, Board Counsel
Ravon Radmard, Executive Secretary

Chair, Harold Brantley opened the meeting and welcomed the guest in attendance.

MINUTES

Motion by Kathy Mayfield, second by G. Herbert Pritchett and the Board approved the May 25, 2012 minutes. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes.

EDUCATION

Motion by Dorsey Hall, second by Kathy Mayfield and the Board voted to approve the following courses for fiscal year 2012-2013. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes.

- (1) National Association of Independent Fee Appraisers – See Attached
- (2) American Society of Farm Managers & Rural Appraisers – See Attached
- (3) Wilson Education Group – See Attached
- (4) Career Webschool – See Attached
- (5) Dennis Badger & Associates, Inc. – See Attached

Motion by Kathy Mayfield, second by Sam Blackburn and the Board voted to approve the following courses for fiscal year 2012-2013. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes.

- (6) American Society of Farm Managers & Rural Appraisers
 - (1) Advanced Appraisal Exam Preparation Course – 20 hours classroom CE
- (7) Michael E. Deweese
 - (1) Estimating Value by Extraction – 3 ½ hours classroom CE
- (8) Career Webschool dba of Cengage Learning Inc.
 - (1) 2012-2013 – 7 hours Equivalent USPAP Update Course – 7 hours virtual classroom CE
- (9) Appraisal Institute
 - (1) Marketability Studies: Advanced Considerations & Applications – 7 hours classroom CE
 - (2) 2012 Annual Meeting Sessions Day 1 – 2 hours classroom CE
 - (3) 2012 Annual Meeting Sessions Day 2 – 8 hours classroom CE
 - (4) 2012 Annual Meeting Sessions Day 3 – 6 hours classroom CE
 - (5) 15 hour National USPAP Equivalent Course – 15 hours online QE
 - (6) 7 hour National USPAP Update Equivalent Update – 7 hours online CE
 - (7) Uniform Appraisal Dataset Aftereffects: Efficiency vs. Obligation – 7 hours classroom CE

EXPERIENCE REVIEW

Motion by Kathy Mayfield, second by Dorsey Hall and the Board unanimously approved the experience as listed below:

- (1) Pam Williams – Approve for Certified Residential

CERTIFICATION/LICENSURE

Approval – Appraisers – Motion by G. Herbert Pritchett, second by Sam Blackburn and the Board voted to approve the following certification list of appraisers. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes.

- (1) Dexter Allen – Associate
- (2) Philip R. Clay – Certified Residential (OH)
- (3) Clyde H. Dotson, II – Associate
- (4) Casey L. Kirby – Associate
- (5) Thad Prince – Associate
- (6) Beth A. Riggs – Certified General – (OH)
- (7) Kari A. Stringer-Merrick - Associate
- (8) Lara Sue Watson – Certified General (TN)
- (9) Ralph Wellman, II - Associate
- (10) Pam Williams – Certified Residential

- A. Approval – AMC Companies - Motion by Sam Blackburn, second by Kathy Mayfield and the Board voted to approve the following Appraisal Management Company list. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes.

- (1) Collateral Management, LLC - #82
- (2) OrderProUSA, LLC - #83
- (3) Pendo Management - #84
- (4) Trident Services, LLC - #85
- (5) CoreLogic Appraisal Services - #86
- (6) Prime Valuation Services, LLC - #87

COMPLAINT

- A. The Board reviewed the Case Flow Summary Chart and the staff reported 44 cases for 2012 have been filed.
- B. Investigator Report

- C. Case No. 12-02 – Motion by Sam Blackburn, second by Kathy Mayfield and the Board unanimously agreed to file a formal complaint and set the case for a hearing. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes
- D. Case No. 11-38 and 12-20 – Motion by Dorsey Hall, second by Kathy Mayfield and the Board unanimously agreed to dismiss the case with recommendation to take the 15 hour Highest and Best Use course with exam. Roll call – Sam Blackburn – Recuse; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes
- E. Case No. 12-21 – Motion by Kathy Mayfield, second by Sam Blackburn and the Board unanimously accept the agreed order that will reflect in the minutes with case no. 11-03 and 12-21. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes
- F. Case No. 12-22 – Motion by Dorsey Hall, second by Sam Blackburn and the Board unanimously agreed to file a formal complaint and set the case for a hearing. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes
- G. Case No. 12-18 – Motion by Sam Blackburn, second by Kathy Mayfield and the Board unanimously agreed to file a formal complaint and set the case for a hearing. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes
- H. Case No. 12-44 – Motion by Sam Blackburn, second by Kathy Mayfield and the Board unanimously agreed to file a formal complaint and set the case for a hearing. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes
- I. Case No. 12-07 – John Tackett – Motion by Dorsey Hall, second by Kathy Mayfield and the Board unanimously agreed to accept the following agreed order. Roll call – Sam Blackburn – Recuse; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes
- (a) Tackett is suspended three (3) years beginning July 1, 2012. Tackett shall service a minimum of six (6) months from July 1, 2012 – January 2, 2013 with remaining time stayed pending the successful completion of the remaining terms of the agreed order.
 - (b) **Tackett** shall be fined the sum of \$2,000.00 (\$1,000 for case 11-30 and \$1,000 for case 12-07) with total amount due prior to returning to practice.
 - (c) Tackett shall successfully pass the Certified Residential National exam before the suspension shall be removed from his certificate. In no event shall the Board remove the suspension before January 13, 2013.

- (d) Tackett agrees to have no Associate appraisers for three (3) years.
- (e) Tackett agrees to submit a log to the Board every six months for three years.
- (f) Tackett agrees that the Board shall have the right to review files for a period of two years from the date of the agreed order.

J. Case Nos. 11-03 and 12-21 – Mary Lee Norfleet – Motion by Dorsey Hall, second by Kathy Mayfield and the Board unanimously agreed to accept the following agreed order. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Recuse; Kathy Mayfield – Yes

- (a) Norfleet agrees to surrender her Certified General Real Property Appraiser certification effective June 30, 2012.
- (b) Norfleet will be issued a Certified Residential Real Property Appraiser certification effective July 1, 2012.
- (c) Norfleet will perform all commercial or general real property appraisal assignments that require the services of a certified general appraiser, under the supervision of a Kentucky certified general real estate appraiser, and that general appraiser will sign the appraisal reports.

K. Case No. 12-09 – Jarrett Hardesty – Motion by Dorsey Hall, second by Kathy Mayfield and the Board unanimously agreed to accept the following agreed order. Roll call – Sam Blackburn – Recuse; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

- (a) Hardesty is suspended thirty (30) days from August 1, 2012 – August 30, 2012.
- (b) Hardesty shall be fined the sum of \$2,000.00 with total amount due by October 1, 2012.
- (c) Hardesty shall successfully pass the Certified Residential National Exam before the suspension shall be removed from his certificate. In no event shall the Board remove the suspension before August 30, 2012.
- (d) Hardesty agrees to have no Associate Appraisers for five (5) years beginning July 1, 2012.
- (e) Hardesty agrees to submit a log to the Board every three months for three years.
- (f) Hardesty agrees that the Board shall have the right to review files for a period of two years from the date of the agreed order.

L. Board Hearing Discussions – Hearing set for Matt Miniard – July 26 – 27, 2012

M. Motion of submission for case for final adjudication sent to Franklin Circuit Court for the David Harrington case and a dismissal from Franklin Circuit Court.

N. J. Rodney Williams – Request for a 150 day extension to hear cases due to the death of his son. The Board voted to have James Grawe, Board Counsel to contact attorney.

MISCELLANEOUS

The Board reviewed the following information

- A. Budget ending May 2012
- B. Memo concerning Notice of activities outside KREAB job duties – Motion by Sam Blackburn, second by Kathy Mayfield and the Board unanimously approved Larry Disney, Executive Director to perform the following duties outside of KREAB. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes
 - i. Course reviewer for the course approval program of the Appraisal Foundation, Washington, DC
 - ii. Program compliance reviews (on an as needed basis of no more than 1 per month) of appraisal reports completed for the Purchase of Development Rights (PDR) for the Lexington-Fayette Urban County Government, Lexington, KY
 - iii. Counseling and assistance to the West Virginia Real Estate Appraisers Board (4 assignments in 2012)
- C. Request from Pearl Crum – Motion by G. Herbert Pritchett, second by Sam Blackburn and the Board unanimously rejected the request of Ms. Crum to extend her inactive status one more year to try and pass the Certified Residential exam. The Board agreed that Ms. Crum has until June 30, 2012 to pass the exam and at that time if she does not pass she will lose her certification per an Agreed Order. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes
- D. Information for Board initiate investigation – The Board reviewed the information from G. Herbert Pritchett and James Grawe and a comment was made by Sam Blackburn that he doesn't want the Board to file a complaint unless there is sufficient and probable cause to initiate a complaint.
- E. Revised KRS 324A – The Board reviewed and made changes as necessary to each statute that the Board is proposing for legislative changes. Motion by Dorsey Hall, second by Kathy Mayfield and the Board agreed to proceed with the changes.
- F. The Board agreed to the filing of the following regulations 201 KAR 30:030, 30:125, 30:180 and 30:190 and authorized Larry Disney to act on the Board's behalf with the Administrative Regulation Review Subcommittee. Motion by Dorsey Hall, second by Kathy Mayfield. Motion passed unanimously. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes
- G. Delegation of Authority – Motion by Sam Blackburn, second by Kathy Mayfield and the Board unanimously accepted the attached Delegation of Authority. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes
- H. Examination Contract – PSI has agreed to provide the services with one testing location in Louisville, KY and the contract will begin September 1, 2012.
- I. Evaluation Form for Executive Director

J. July Board Meeting – July 27, 2012

Motion by Sam Blackburn, second by Dorsey Hall and the Board agreed to adjourn the meeting. Roll call – Sam Blackburn – Yes; Dorsey Hall – Yes; G. Herbert Pritchett – Yes; Kathy Mayfield – Yes

A handwritten signature in blue ink, reading "Harold Brantley".

Chair

A handwritten signature in blue ink, reading "Ange Thomas".

Staff Assistant

NATIONAL ASSOCIATION OF INDEPENDENT FEE APPRAISERS

401 N. Michigan Ave., Suite 2200, Chicago, IL 60611

Contact Person: Susan Lane (312) 321-6830

Web Site: www.naifa.com

COURSES APPROVED **CONTINUING EDUCATION CREDIT**

2012-2013 National USPAP Update	7 hours
Appraising in the Foreclosure Market	7 hours
FHA Current Appraisal Requirements	7 hours
Fannie Mae Selling Guide - Updated Appraisal Related Policies	7 hours

AMERICAN SOCIETY OF FARM MANAGERS & RURAL APPRAISERS

950 S. Cherry Street, Suite 508, Denver, CO 80246-2664

Contact Person: Deanna Ilk (303) 692-1222

Web Site: www.asfmra.org

COURSE APPROVED FOR BOTH **PRE-LICENSING** AND **CONTINUING EDUCATION CREDIT**

**All approved pre-licensing courses will be accepted for continuing education credit.*

Basic Appraisal Principles - A-101	30 hours
Basic Appraisal Procedures	30 hours
Cost Approach for General Appraisers	30 hours
Eminent Domain	22 hours
General Market Analysis and Highest & Best Use	30 hours
Income Approach for General Appraisers, Part 1	30 hours
Integrated Approaches to Value	30 hours
Sales Comparison Approach for General Appraisers	30 hours

COURSE APPROVED FOR BOTH **ONLINE PRE-LICENSING** AND **CONTINUING EDUCATION CREDIT**

**All approved pre-licensing courses will be accepted for continuing education credit.*

Online Cost Approach for General Appraisers	30 hours
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COURSES APPROVED **CONTINUING EDUCATION CREDIT**

Advanced Appraisal Review Case Studies	16 hours
Advanced Rural Case Studies	36 hours
Appraisal Review Under USPAP (A-370)	22 hours
Appraisal Review Under Uniform Appraisal Standards for Federal Land Acquisition	16 hours
Best Practices for Rural Property Appraisals	8 hours
Highest and Best Use Seminar	8 hours
Introduction to Appraisal Review - A-360	14 hours
National USPAP Update - 2012-2013	7 hours
Requirements of UASFLA - The Yellow Book	22 hours
Valuation of Conservation Easements and Other Partial Interests in Real Estate	22 hours

WILSON EDUCATIONAL GROUP

P.O. Box 613, 533 Legion Drive, Harrodsburg, KY 40330

Contact Person: C.W. Wilson (859) 734-3174

Web Site: www.wilsonedgroup.com

COURSE APPROVED FOR BOTH **PRE-LICENSING** AND **CONTINUING EDUCATION CREDIT**

**All approved pre-licensing courses will be accepted for continuing education credit.*

Basic Appraisal Principles - WEG 400	30 hours
Basic Appraisal Procedures - WEG 401	30 hours
Capitalization Applications - WEG 443B	15 hours
Introduction to Income Property Appraising - WEG 443A	15 hours
National USPAP - WEG 370	15 hours
Residential Report Writing - WEG 434	15 hours
Residential Sales Comparison Approach - WEG 432	15 hours
Residential Site Value and Cost Approach	15 hours
Site Improvement Inspection & Doc- WEG 437	15 hours
Statistics, Modeling & Finance - WEG 435	15 hours

COURSES APPROVED **CONTINUING EDUCATION CREDIT**

Beyond Sales Comparison Grid - WEG 432C	7 hours
Uniform Appraisal Dataset	7 hours

CAREER WEBSCHOOL

3100 Cumberland Blvd, Ste. 1450, Atlanta, GA 30339

Contact Person: Dana Taulli (800) 532-7649

Web site: www.careerwebschool.com

COURSES APPROVED **INTERNET/CD ROM PRE-LICENSING** and **CONTINUING EDUCATION CREDIT**

**All approved pre-licensing courses will be accepted for continuing education credit.*

2012-2013 National USPAP Course Equivalent	15 hours
An FHA Single Family Appraisal	15 hours
Basic Appraisal Principles	30 hours
Basic Appraisal Procedures	30 hours
Residential Appraiser Site Valuation and Cost Approach	15 hours
Residential Market Analysis and Highest & Best Use	15 hours
Residential Report Writing & Case Studies	15 hours
Residential Sales Comparison & Income Approaches	30 hours

COURSES APPROVED **INTERNET/CD ROM CONTINUING EDUCATION CREDIT**

A URAR Form Review	7 hours
Cost Approach Overview	7 hours
Income Capitalization Overview	7 hours
National USPAP Update 2010-2011 2012-2013	7 hours
Sales Comparison Approach	7 hours

DENNIS BADGER & ASSOCIATES, INC.

P.O. Box 23220, Lexington, KY 40523

Contact Person: Leda Turner (877) 463-3323

Web Site: www.dennisbadger.com

COURSES APPROVED *CONTINUING EDUCATION* CREDIT

Appraisal Regulation & Guidelines Update	7 hours
Appraisal Review Essentials	7 hours
National USPAP Update 2012-2013	7 hours

MEMORANDUM

To: Kentucky Real Estate Appraisers Board

From: Larry Disney

Re: Delegation of Authority – for adoption by the Board

Pursuant to KRS 324A.060, the board may delegate to the director the administration and enforcement of as necessary to discharge the duties imposed by the provisions of KRS 324A.010 - 090 and KRS 324A 150-164. The board may also delegate to the director the authority to act on behalf of the board on such occasions and in such circumstances as the board directs. To ensure that the duties, in relation to the operation of the real property appraiser licensing program, are effectively performed, it is recommended that the board officially act to grant the director, or the director's designee the following delegations of authority:

1. Licensing

- a. Review and approve applications for real estate appraiser temporary practice permit, registration, licensure and certification, including renewals and reinstatements. Discontinue application processing for temporary practice permit, registration, licensure, certification, reinstatement or renewal where the director or the designee of the director determines in accordance with established law that requirements (i.e. education, examination, experience review, supporting documentation, fee payment) have not been met.
- b. Authorize inactive status for licensees who meet the requirements of KRS 324A.047.
- c. Draft and issue routine correspondence on behalf of the board.
- d. Draft Questions and Answers on behalf of the Board to individuals seeking guidance and direction for maintaining compliance with Board statutes and regulations.
- e. Review and recommend to the Board approval of the work experience for applicants requesting one of the Kentucky appraisal credentials covered in Kentucky Administrative Regulation 201 KAR 30:030.
- f. Serve as the representative at activities and forums for which a speaking request is requested of the Board.

2. Education

- a. Review all education offerings presented to the Board and make recommendations to the Board for approval or rejection.
- b. Work with subject matter experts as necessary for purposes of enhancing the education submission process or other studies and needs for the day-to-day operation of the Board office.
- c. Develop, release and instruct any seminar deemed necessary by the Board for maintaining and enhancing the appraisers licensed and certified in Kentucky in compliance with KRS 324A.020.
- d. Review and make recommendation to the Board for approval or rejection of all educational courses for qualifying and continuing education.

3. Enforcement

- a. Initiate investigations on behalf of the board. Perform and review investigations of complaints. Carry out all investigative functions, including recommendation to the Board for settlement agreements.
- b. Work with the Board legal counsel to issue subpoenas on behalf of the board.
- c. Work with the Board legal counsel to seek enforcement of subpoenas issued by the board or director when a person or entity fails to comply with a lawfully issued subpoena.
- d. Negotiate stipulated settlement agreements, and recommend settlement to the Board for the following disciplinary action of non-egregious cases:
 - i. Letter of dismissal with the agreement the respondent will complete education within a specified time of the agreement;
 - ii. Letters of admonishment;
 - iii. Public Censure;
 - iv. Fines not to exceed \$2000 and payment schedules where appropriate;
 - v. Remedial education courses;
 - vi. Probationary licenses or supervision requirements not to exceed a term of two years;
 - vii. Limitation of associates; and
 - viii. Work reviews
- e. Make recommendations to the board when the respondent requests changes in the deadline for payment of a fine or the completion of a mandated CE or QE courses that are provided for in the disciplinary action.
- f. Accept counterproposals with disciplinary terms that are consistent with board directives. **Counterproposals containing settlement terms that are contrary to board directives will be presented to the board for review and final determination. Absent any new information, any substantially different counter proposal may be rejected by staff on behalf of the Board.**
- g. Set the date by which the licensee must execute the stipulation in lieu of charges being filed and notice of hearing date set, and to withdraw the settlement offer.
- h. Negotiate substitutions of required remedial education courses.
- i. Negotiate permanent "voluntary surrenders" containing the previously approved clause requiring such surrender to be treated by the Board in all respects as a revocation.
- j. Negotiate license relinquishments for presentation to the Board for final action.
- k. Execute all Letters of Admonition, Stipulated Agreements, Reciprocity Agreements, Final Agency Orders and other formal actions approved by the board.
- l. Directly refer matters to the Office of the Attorney General for legal representation of the board (i.e. subpoenas, lawsuits, etc.).
- m. Directly refer to hearing and settle complaints involving violations of the terms set forth in executed Stipulated Agreements and cases within the director's delegated authority to settle.
- n. Determine and execute procurement contracts as necessary for purposes of carrying out the day-to-day function of the board activities.

- o. Designate and appoint individuals as may be warranted for the execution of day-to-day board duties and activities, including mediations.
- p. Manage open records requests made to the board, establish records retention schedules and maintain board records as prescribed.
- q. Draft and issue routine correspondence on behalf of the board.